

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 27, 2003**

AGENDA ITEM NO.: 8

CONSENT:

REGULAR:

CLOSED SESSION:
(Confidential)

ACTION:

INFORMATION:

**ITEM TITLE: Allocation of FY 2004 General Fund Reserve for Contingencies Funds for
Use by the City Manager for Special and Extraordinary Purposes**

RECOMMENDATION: Set aside and appropriate \$50,000 within the FY 2004 General Fund Reserve for Contingencies for use by the City Manager for purposes requiring more immediate attention and to address minor requirements for funds that may not need two readings by City Council.

SUMMARY: Chapter 3, Government and Administration of the *City Charter* requires the following regarding the appropriation of funds:

No ordinance or resolution appropriating money exceeding the sum of one thousand dollars, imposing taxes or authorizing the borrowing of money, shall be passed by the council on the same day on which it is introduced, nor shall any such ordinance or resolution be valid unless at least three days intervene between its introduction and date of passage.

In essence, there is no flexibility for the City Manager to exercise discretion in the expenditure of funds for special circumstances. Two examples come to mind: 1) following considerable debate regarding artwork in the Court buildings, City Council needed to delay implementation of their recommendation because the \$10,000 appropriation of funds to implement Council's decision needed two readings of Council, thus delaying any action by approximately six weeks; and, 2) following the appropriation of nearly \$27,000 for enhanced technology for various criminal justice work groups, it was discovered that the Sheriff's office required a \$2,000 appropriation for software to enhance their work and better assist in the work of the Criminal Justice Work Group. Again, action needed to be delayed approximately 6 weeks due to the City Charter requirement that any appropriation in excess of \$1,000 requires two readings by City Council.

Staff requests that City Council set aside and appropriate \$50,000 from the \$1.2 million General Fund Reserve for Contingencies in FY 2004 for use by the City Manager in increments not to exceed \$5,000 per issue, unless a greater sum is authorized by City Council.

Expenditure activity associated with the \$50,000 allocation will be reported to the Finance Committee on a monthly basis as a part of the report on the status of the General Fund Reserve for Contingencies.

PRIOR ACTION(S): Inclusion of \$1.2 million in the FY 2004 General Fund Reserve for Contingencies

BUDGET IMPACT: Sets aside \$50,000 in the General Fund Reserve for Contingencies for use by the City Manager, reducing funds available for other uses from \$1,200,000 to \$1,150,000.

CONTACT(S): L. Kimball Payne, City Manager 847.1443 Ext. 223
Bonnie Svrcek, Deputy City Manager 847.1443 Ext. 224

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

Resolution

BE IT RESOLVED THAT \$50,000 be appropriated and set aside within the FY 2004 General Fund Reserve for Contingencies to be used at the discretion of the City Manager for special and extraordinary purposes;

BE IT RESOLVED THAT City Council authorizes the City Manager to spend up to \$5,000 per issue or event unless authorized to spend in excess of that amount by City Council;

BE IT FURTHER RESOLVED THAT the City Manager shall report all expenditures from this allocation to the Finance Committee on a monthly basis.

Introduced:

Adopted:

Certified:

Clerk of Council

102L